

RULES OF PROCEDURE OF THE CIVIL AND MERCANTILE COURT OF ARBITRATION

Approved by the Ordinary General Meeting of 27 April, 2006

GENERAL PROVISIONS

Article 1º.-

The Civil and Mercantile Court of Arbitration (hereinafter referred to as the Court) will administer disputes that have been referred to it for arbitration, whether national or international in scope, in accordance with the Spanish Arbitration Act of 23 December 60/2003 and the provisions of these Rules.

Article 2º.-

The Court shall determine whether the dispute is national or international. The arbitration shall be international when one or more of the circumstances laid down in article 3 of the Spanish Arbitration Act occur.

Article 3º.-

The parties shall be deemed to have submitted the dispute to the Court if they have entered into an arbitration clause beforehand, or both parties have expressly given their consent, or one of the parties has submitted a notice in writing to which the other party has also agreed in writing. This means not only that they entrust the Court with the administration of the arbitration and expressly undertake to comply with all interim decisions and the final award but also undertake to act in good faith during the proceedings, at all times, and abstain from any conduct that may hinder or obstruct arbitral proceedings or frustrate or impair the efficacy of the award.

Article 4 º.-

Arbitral proceedings shall be guided by the inalienable rights of the parties to attend hearings, counter the other party's evidence and be treated impartially.

Article 5 º.-

1. The parties are free to choose the number of arbitrators who will compose the arbitral tribunal, provided that it is an uneven number. If they fail to agree upon a number, a sole arbitrator shall be nominated by the Court. Arbitration of law shall be applied unless the parties request equity arbitration.

2. If a sole arbitrator is to be appointed, the parties may, by agreement, nominate a sole arbitrator from the Court membership list. If the parties fail to nominate a sole arbitrator, the sole arbitrator shall be appointed by the President of the Court.

3. If three arbitrators are to be appointed, each party has the right to nominate one arbitrator provided that they appear on the Court list: if they both exercise this right the two arbitrators thus nominated shall choose the third arbitrator from the same list, who will act as president of the arbitral tribunal and shall use his casting vote if any of the votes result in a tie.

If within thirty days of the notice to nominate an arbitrator one of the parties fails to nominate an arbitrator, the arbitrator shall be nominated by the President of the Court. If within thirty days after the nomination of the

second arbitrator the two arbitrators fail to nominate the third arbitrator, he shall be nominated by the same method.

4. If more than three arbitrators are to be appointed, they shall all be nominated by the President of the Court, at the request of either of the parties.

5. Notwithstanding the provisions of the paragraphs preceding this article, the Board of Administration of the Court may, at the request of the parties, exceptionally authorize the nomination of an arbitrator or arbitrators who do not appear on the Court list under article 18.4 of the Statutes of the Court.

RULES GOVERNING JURISDICTION, COMMUNICATIONS AND PERIODS OF TIME

Article 6 º.-

If the Court agrees to administer the arbitration, it shall nominate the arbitrator or arbitral tribunal and deal with any issues that may arise regarding substitutes and interpretation of the rules of procedure, whether in general or for a specific case, in the event of the parties or the arbitrator or arbitral tribunal requesting it. All actions shall be performed in accordance with article 4 of the Spanish Arbitration Act and article 18, 32. c), 37. e) and 41. b) and c) of the Statutes of the Court.

Article 7 º.-

The Court will not accept any cases for arbitration if it deems that it has been requested to participate for reasons that run counter to the code of professional conduct on which it was founded.

Article 8 º.-

The Court Secretary shall administer the arbitrations in accordance with its Statutes, except for article 46. e).

Article 9 º.-

The arbitrator or arbitral tribunal are responsible for the overall organisation and management of the proceedings, in accordance with the general principles of the Spanish Arbitration Act and the provisions of these Rules, unless the parties agree otherwise. They shall determine the place where the arbitration is to be held, the language to be used in the proceedings and set the periods of time. These may be fixed or able to be extended and any possible variations should be stated, having regard to the circumstances of the arbitration. Said fixed period shall be taken to be five days unless stated otherwise.

Article 10 º.-

1. Communications between the parties and between the arbitrator or arbitral tribunal and the Court will be carried out in accordance with the norms laid down by the Secretary of the arbitration in question or with those issued by the Court Clerk subsequently. Communications between the arbitral tribunal and the parties may also be direct and if an arbitral tribunal has been appointed communications shall be effected through the president and only his signature shall be required. However, the parties are free to come to an agreement on notifications, communications and the calculation of periods of time if they so wish.

2. All written statements and original documents that are filed in the Court should have copies for all the parties participating in the arbitration, one copy for each arbitrator and one copy for the Court Secretary annexed thereto.

3. Any notification or communication is deemed to have been received on the day that it is physically delivered either to the addressee or at their domicile, habitual residence, place of business or mailing address. Likewise, any notification or communication by telex, fax or any other method of electronic, telematic telecommunications, or any similar method by which means written statements and documents can be sent and received and the emission and reception thereof can be recorded shall be deemed valid, provided that it has been designated by the interested party. If none of these places can be found after making reasonable inquiry, the notification or communication is deemed to have been received on the day that it has been delivered, or an attempt has been made to delivery it, at the addressee's last known domicile, habitual residence, place of business or mailing address by certified mail or any other registered method.

Article 11 º,-

For the purposes of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notification or communication is received. If the last day of such period is an official holiday at the place where the notification or communication is to be delivered, the period shall be extended until the first business day which follows. When a notice must be filed within a period of time, such period will be taken to be complied with if the notice is sent during said period, even though it is delivered after said period has expired. Periods of time that are calculated in days shall be calculated using calendar days. Periods of time calculated in months shall have a starting date and a termination date. If the month in which such period terminates does not have the same date as the starting date, the period of time shall terminate on the last day of the month.

PRELIMINARY ARBITRATION PROCEEDINGS.

Article 12 º,-

1. The parties, either separately or together, may request the Court to arbitrate by filing a notice at the Court's head office in Madrid or at a national branch office, if applicable.

2. The notice of arbitration shall be drawn up in writing and should include: the request for arbitration; identifying case data and the address of the parties; the claimant's representative; the arrangement, contract or transaction out of or in relation to which the dispute has arisen with a brief description of the issues under dispute; the arbitration clause or arbitration agreement if it is separate from the aforementioned contract or transaction; the amount involved, if any; the proposed advance on costs and the form that it will take; a proposal as to the place and language of the arbitration, if they have one. The Secretary of the Court will notify the other parties involved in the proceedings of said notice after any errors that it might contain have been rectified.

3. The respondent or respondents shall be notified of the notice of arbitration at one of the following domiciles, in the order specified by the claimant: a) the domicile the respondent gave in the arbitration clause, if applicable; b) the domicile that the claimant stated is the respondent's domicile on the date the notice was filed; c) the domicile obtained from telephone, fax or other numbers d) the domicile registered in the municipal census list or is officially registered for other purposes; e) the one obtained from official registers or professional publications, f) the one where the respondent carries out full-time professional or work-related activity.

Article 13 º,-

On receiving the request preliminary proceedings shall be initiated, based on the data therein, which shall be solely provisional and to provide guidance, and the opposing parties shall be informed of the corresponding

start up, registration and processing charge due. On payment, the President of the Court will accept the arbitration, if it proceeds, and shall instruct the Secretary to draw up the norms governing in what form and where written statements, documents and communications are to be delivered and received, the periods of time allotted and the advance on costs that are to be applied to the arbitral proceedings in question. None of the above shall affect the rights of the parties and the arbitrator to make proposals and arrangements.

In the event of failure to agree upon or determine the amount involved in the dispute, it shall be determined by the Court.

The Secretary may hold a hearing with the parties, if he deems fit, in order to instruct them on the provisions of the norms in question for the purposes of clarity and efficiency.

CONTINUATION OF ARBITRATION PROCEEDINGS

Article 14 º,-

On accepting the arbitration the President of the Court and, where applicable, the Board of Administration, on the proposal of the Director, shall nominate the arbitrator or arbitral tribunal for the dispute, although this nomination is not effective immediately, and also notify said arbitrator/s and the parties. The Board of Administration will be informed of the appointments made by the President at the next meeting held by this organ.

Article 15 º,-

1. After the arbitrators have been nominated they shall, within a maximum period of 15 days after having received the notice of nomination, inform the Court of their acceptance or reasoned refusal.

In his written acceptance of the nomination the arbitrator shall disclose any circumstances likely to give rise to justifiable doubts as to his impartiality or independence.

2. The Court shall inform the parties that the arbitrator or arbitrators have accepted the nomination/s, and they may accept or challenge said nominations, in writing, within a maximum period of 15 days. If no written statement is filed on this matter it will be taken to mean acceptance of the arbitrators.

3. Notwithstanding the above, the parties may challenge the arbitrator or arbitrators at any time during the proceedings prior to the award if they learn of any circumstances likely to give rise to justifiable doubts as to the arbitrator or arbitrators' impartiality or independence. Said challenge should be filed within a maximum period of 15 days after the circumstances giving rise to the challenge became known to that party.

4. The challenge to the arbitrators will be regulated by the applicable sections of the Spanish Arbitration Act in force, although if the challenge is rejected the challenging party may present a written appeal to the Board of Administration of the Court which shall include the grounds of the challenge. The Board shall take the procedural decisions that it deems fit and shall rule on the challenge within one month, starting from when the appeal was lodged.

The costs arising out of the written appeal shall be borne by the challenging party in the event that the appeal is rejected.

In the event that the written appeal is rejected, the challenging party is entitled to object to the order to pay the

costs by appealing against the award.

The main proceedings will continue uninterrupted while the challenge proceedings are underway.

Article 16 º:-

1. The parties shall ratify or formulate their proposal as to the place and language of the arbitration in the document that is referred to in paragraph 2 of the preceding article, which should be presented within the same period of time, unless they have agreed upon it in the arbitration clause or another pact. If there is no such proposal the arbitrator or arbitral tribunal will determine these points.

2. In the same communication, the parties will specify a definitive domicile for notification purposes, and any notification delivered to such domicile shall be deemed to have been received, until such time that the party or parties have registered a change of domicile in the file by means of a notice in writing addressed to the Court. They will also provide their fax number and e-mail address, if they have one.

3. If no such information is provided or no notice in writing is filed, both parties shall be deemed to have agreed that their definitive domicile is the one where the nomination of the arbitrator was delivered, with the same consequences as stated in the above section.

Article 17 º:-

1. If the nominated arbitrator or one of the nominated arbitrators does not accept, abstains or withdraws, the Court shall nominate a substitute arbitrator or substitute arbitrators and notify the arbitrators who have accepted and all the parties pursuant to Article 15.

2. Whatever the reason for which a substitute arbitrator has to be nominated, the Court shall act in accordance with the procedure of the above paragraph and, after the substitute arbitrator or substitute arbitrators have been nominated they shall, subsequent to a hearing with the parties, decide if a repetition of the proceedings is necessary.

Article 18 º:-

1. After the period of time stipulated in Article 15.2 has elapsed, the arbitrator or arbitral tribunal shall decide, on their own initiative or at the request of the parties, the place and language of the arbitration and will allow the claimant or claimants a maximum period of ten days to present the statement of claim. This must include identification of the arbitration and the parties and proof that the advance on costs has been paid; failure to do so will result in the closure of proceedings. It will also include a statement of the facts and the legal grounds of their claim, all documents deemed relevant and the evidence they will submit with instructions as to its use, and they should clearly specify the remedy sought.

2. If, in the statement of claim, the claimant amends the content or amount involved in the claim that were declared in the notice of arbitration, the Court may require a supplementary advance on costs from the parties. Failure to pay within the period of time fixed for this purpose will mean that the arbitrator shall be authorised to exclude said excess amounts from arbitration proceedings and shall rule on them in the award.

3. The claimant shall attach the expert testimony on which he relies to the statement of claim, without prejudice to the right of the arbitral tribunal to appoint one or more expert witnesses on their own initiative or at the request of any of the parties.

4. At the request of either party or when deemed necessary by the arbitrator the expert witness, after having

delivered his testimony, may be heard at a hearing where the parties and the arbitrator or arbitral tribunal shall have the opportunity to question him as to the contents of his testimony.

Article 19 º:-

1. The respondents shall be notified of any statement or statements of claim filed so that, within a period of time specified by the arbitrator or within fifteen days if not specified otherwise, they may file their defense, which should comply with all the provisions of the above article.

If the respondent or respondents do not attach proof of having paid the advance on costs requested to their statement of defense, the claimant shall be so informed in order that they may make the required payment. In this case, the claimant's credit against the respondent will be recorded in the award. If none of the parties pay the advance on costs, proceedings will be discontinued and the process of law will be initiated.

2. If pleas as to procedural irregularities or jurisdiction are made, the arbitrator shall hold a hearing on the matter with the other parties taking part in the arbitration in a period of five days and, in the light of what is alleged; shall uphold the plea since it clearly concurs with the notices and documents filed and issue a ruling within ten days, starting from the expiration of the period of time referred to above, placing it on the record and closing the arbitral proceedings; rule that proceedings shall continue in accordance with the procedures established in these Rules and that exceptions shall be ruled on in the final award. None of the above will be prejudicial, where applicable, to the provisions of article 21 of these Rules.

3. If the respondent files a counterclaim, the parties shall be required to pay an advance on costs corresponding to the amount involved that should be deposited within a period of five days, starting from the notification issued to this effect. After it has been deposited the claimant shall be notified of the respondent's statement of defense and counterclaim so that he may prepare his arguments within a period of ten days. If the respondent does not pay said advance on costs the counterclaim will not be processed.

If it is the claimant who fails to pay the advance on costs, the procedure in the above section shall be followed, and the arbitrator or arbitrators shall decide whether the counterclaim should be processed.

Article 20 º:-

1. After the answer has been filed, or after the period of time has expired without the answer being filed, or after the periods of time stipulated in article 19.2 have expired, the arbitrator shall summon the parties to a hearing within a period of time of ten days after the above periods have expired, specifying the place, date and time. During said hearing he may question them on all aspects so as to determine the nature of the dispute and the points at issue as well as their respective positions. He shall also specify the norms and set a provisional procedural calendar.

2. The parties may supplement their evidence with new, additional evidence in said hearing if it is in their interests and the arbitrator will rule on the validity of said evidence in accordance with the provisions of article 22 of these Rules.

3. This right shall also apply if the arbitrator does not summon the parties to appear within the period of time specified in section 1 of this article. The new evidence must be presented within a maximum period of five days, starting from the expiration of said period of time.

4. Unless the parties agree otherwise, during the course of arbitral proceedings either of them may amend or supplement their claim or defense, unless the arbitral tribunal considers it inappropriate to allow such amendment having regard to the delay in making it.

Article 21 º.-

Within fifteen days after the hearing the arbitrator shall rule on his own objective jurisdiction and on the validity of the arbitration clause or arbitration agreement, irrespective of whether they have been called into question by the parties or not. If the ruling affirms lack of jurisdiction or the arbitration clause or arbitration agreement are ruled null and void, inexistent or to have expired the proceeding will be closed and the process of law will be initiated. If no hearing is held the arbitrator shall perform the same procedure after the new evidence has been presented in accordance with article 20.3.

Article 22 º.-

The arbitrator will immediately rule on the evidence presented within a maximum period of time of five days and arrange the schedule and place as he deems fit. The parties will be notified of said arrangements by the Secretary, who will require them to pay the advance on costs required to put the arrangements into effect. Failure to comply with said notice will result in the proceedings being discontinued.

Article 23 º. –

The discovery period will last for a maximum of sixty days. The parties may attend the examination of evidence.

Article 24 º.-

After the evidence has been examined, the arbitrator shall grant a maximum period of fifteen days for all the parties so that they may examine and critically assess the results of the evidence and express their opinion, in writing.

Article 25 º.-

In the interests of a fairer ruling the arbitrator may order an examination of the evidence that he deems suitable. After it has been examined, the arbitrator shall grant a five-day period for all the parties so that they can summarise and assess the result.

Article 26 º.-

In equity arbitrations, the arbitrator may speed up the proceedings regulated in the above articles and shorten the periods of time, incorporating any suggestions made by the parties in so far as he deems them to be compatible with the correct performance of his arbitral duties in the case in question.

Article 27 º.-

1.- Unless the parties agree otherwise the arbitrator or arbitrators may, at the request of either of the parties, take any interim measures of protection they deem necessary in respect of the subject-matter of the dispute. The arbitrator shall be entitled to require appropriate security from the claimant if he deems it necessary. The application for measures of protection and their consequent effects shall be the sole responsibility of the requesting party.

2.- The application for interim measures of protection may never be sought without the prior acceptance of the arbitrator, or all the arbitrator. They may be requested at any time during the proceedings either by the claimant or by the counterclaimant, as the case may be. They will be decided upon subsequent to a hearing of all the parties involved except in cases of particular urgency. In these cases the arbitrator shall state the reasons for the measures, and a hearing will subsequently be held with the other party in as short a space of time as possible.

3.- The arbitrator shall assess the necessity of the requested measures and decide on the likelihood of a valid right, and the hypothetical dangers of delay, given the circumstances of the case. The remedy should be in proportion to the nature and purpose of the proceedings, and should not prejudice any party from exercising his business, in accordance with prevailing regulations.

The measures shall be temporary in nature at all times, and their approximate scope should be indicated when they are established, if possible. The measures may be terminated either at the request of one of the parties or when the reason for establishing them, whether ancillary or regulatory, no longer applies. The measures may be prorogued, modified or reinstated provided that the petitioner provides sufficient grounds for doing so. Any alteration or modification that affects the assets of a party should be adopted subsequent to a hearing with the party, save when this is impossible or the matter is extremely urgent.

4.- The interim measures of protection may also be established in order to conserve assets, documents or the testimony of persons for the purposes of evidence.

5.- Interim measures of protection shall be established or rejected in the form of an interim award, and shall be regulated by the regulations governing the annulment and compulsory implementation of awards.

6.- If a legal ruling and legal aid is required to implement the interim measures of protection that were initially established by the arbitrators, these proceedings will be governed in accordance with the regulations set out in the Spanish Arbitration Act and the Spanish Civil Code.

TERMINATION OF ARBITRAL PROCEEDINGS

Article 28 º.-

The parties may agree upon a settlement to the dispute up to the time that the award is issued, in which case the arbitrator or arbitral tribunal shall consider the proceedings to be closed and draw up the award in accordance with the terms agreed upon by the parties, if both parties request it and the arbitrator or arbitral tribunal do not have any reasons to oppose said settlement.

Article 29 º.-

1. The ordinary proceedings conclude when the arbitral tribunal issues the award in the place where the arbitration has been held. The arbitral tribunal may also resolve the dispute by issuing any partial awards that they deem necessary.

2. Provided that the parties have not agreed otherwise, the arbitral tribunal should rule on the dispute six months after the presentation date of the defense referred to in article 19 of these Rules or after the period of time to present said defense has expired. This period of time may be extended by the arbitral tribunal for a maximum period of time of two months, by means of a reasoned decision, unless the parties oppose said extension.

Failure to issue a definitive award within said period of time will result in the termination of the arbitral proceedings and the cessation of the arbitral tribunal. However, this will not affect the validity of the arbitration clause, without prejudice to any responsibility that the arbitrators may have incurred.

3. All awards should be recorded in writing and be signed by the arbitrators, who shall register their dissent, if any. When more than one arbitrator has been appointed only a majority of the arbitral tribunal or only the

president need sign, provided that the award states the reason for the absence of one or more signatures.

For the purposes of the provisions of the above paragraph, the award will be understood to be recorded in writing when its contents and signatures are registered in and can be accessed from an electronic, optical or any other type of support, for subsequent consultation

4. The arbitrators shall state the reasons upon which the award is based, unless the parties have agreed that no reasons are to be given or the award in question has been drawn up in accordance with the terms agreed upon by the parties pursuant to the provisions of article 28 of these Rules.

5. The award or partial awards shall settle the dispute that was described by the parties; any issues that have been specifically raised may be settled in conjunction with any matters that are consequent to said issues.

6. Subject to what has been agreed upon by the parties, the arbitrators shall award the arbitral costs in the award. These shall include the fees and expenses of the arbitrators and, where applicable, the fees and expenses of the advocates or representatives of the parties, the cost of services rendered by the Court and any other expenses arising from arbitral proceedings.

7. The arbitrators shall notify the parties of the award in the form and period of time agreed upon by the parties or, failing that, copies of the award, signed by the arbitrators pursuant to the provisions of section 3, shall be delivered to the parties within the period of time established in section 2.

8. The award may be registered by notary. Any of the parties may petition the arbitrators to register the award prior to notification, at its own expense.

Article 30 º,-

The arbitral proceedings will also terminate:

a) When the claimant withdraws their claim, unless the respondent opposes such withdrawal and the arbitrators recognise that they have a legitimate interest in obtaining a definitive legal solution.

b) When the parties agree on a settlement of the dispute.

c) When the arbitrators conclude that the continuation of the proceedings has become unnecessary or impossible.

Article 31 º,-

Apart from the clarifications, corrections or complements to the award referred to in article 39 of the Spanish Arbitration Act, the only recourse against the award is an appeal to set aside the award for the reasons established in article 41 of said Act.

A review of the definitive award may be requested in accordance with the provisions of the Civil Procedure Rules with respect to definitive rulings.

Article 32 º,-

Without prejudice to the provisions of the above article, by submitting the dispute to arbitration under these Rules the parties have bound themselves to comply with the award.

Article 33 º,-

The award may only be made public with the consent of all the parties.

FEES, COSTS AND EXPENSES

Article 34 º.-

The sole arbitrator and/or, as applicable, the arbitral tribunal shall fix the costs of arbitration in the award under Article 37.6 of the Spanish Arbitration Act, in accordance with the following criteria:

- a. The start up and registration fees and the costs for the administration of proceedings will be calculated according to the tariffs of the Court.
- b. The fees of the arbitrator or arbitrators shall be reasonable in amount, taking into account the amount in dispute, the complexity of the subject-matter and the time spend by the arbitrators. The tariffs of the Court shall be applied.
- c. The fees of the lawyers of the parties, if they request them before the final ruling prior to the award settlement, shall also be reasonable in amount, taking into account the amount in dispute, the importance or complexity of the subject-matter, the time spent by the lawyers on the case and the fee guidelines of the Bar Association of the place of arbitration.
- d. The expenses for the evidence presented and other procedural expenses shall be calculated using the amounts listed in the invoices.

Article 35 º.-

1. Unless the parties agree otherwise at any time during the arbitral proceedings, the sole arbitrator or arbitral tribunal may either order one of the parties to pay all the costs or apportion each of such costs between the parties if it determines that apportionment is reasonable, taking into account the circumstances of the case.
2. If the arbitral tribunal orders all or part of the arbitral costs to be paid by a litigant other than the one who has paid the advance on costs, the amount owed by the former party to the latter party will be specified in the award in accordance with article 19 of these Rules.
3. All orders to pay costs shall contain a reasoned decision explaining how the amounts were calculated and the way they are allocated or apportioned.
4. If one of the parties accepts the claim of the other party instead of opposing them or withdraws their claim before being opposed by the other party, no costs shall be awarded unless the arbitrator rules that the party who has accepted or withdrawn has acted in bad faith. The arbitrator shall provide a reasoned explanation of his ruling.
5. If said acceptance or withdrawal occurs after the other party has opposed the suit, the arbitrator shall be free to decide on the costs, stating the reasons for his decision and taking into account the criteria in these Rules that regulate arbitration that has terminated in an award.
6. If the acceptance or withdrawal that terminates the arbitration is agreed upon by mutual consent none of the parties shall be ordered to pay costs.

TRANSITORY PROVISION

These Rules of Procedure will be applied to arbitrations when the notice of arbitration was entered into the Court register after 18 July, 2006.